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ADMINISTRATIVE AND BUDGETARY ASPECTS OF THE FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS: FINANCING OF THE UNITED NATIONS PEACE-KEEPING OPERATIONS

Support account for peace-keeping operations

Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on the support account for peace-keeping operations (A/49/717 and Corr.1). During the consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional up-to-date information.

2. The Advisory Committee recalls that it had previously considered the report of the Secretary-General but, owing to time constraints, had made only brief comments and recommendations on the subject in its report of 13 December 1994 (A/49/778).

3. The Advisory Committee's report of 24 June 1994 (A/48/955) provided detailed background information on the support account, but the Committee considered it useful to outline in the present report once again the major developments concerning the support account for peace-keeping operations.

4. The Committee recalls that, prior to the establishment of the support account for peace-keeping operations effective 1 January 1990, support was provided from the separate budgets of the then-existing peace-keeping operations. This support related to what were called "overload" posts, a concept that first appeared in the budget for the United Nations Emergency Force (UNEF). For example, the report of the Secretary-General on UNEF of 9 October 1957 contained the estimated costs of UNEF for the first financial period from November 1956 to 31 December 1957. In that report, it was indicated that 31 posts had been "established in New York and Geneva to alleviate

overloads caused by UNEF operations" (A/3694, annex I, sect. I (b) (v)). Thus, "overload" posts, as the name implies, were created to deal with the additional workload at Headquarters locations caused by a peace-keeping operation. Each overload post was specifically paid for by the particular operation that it supported. As the number of peace-keeping operations multiplied, it became clear that, in actual practice, it was very difficult to state that a particular post related to only one operation, since the incumbents performed their tasks with respect to any number of operations interchangeably. It was in an effort to rationalize what had become an arbitrary practice of assigning particular overload posts to particular peace-keeping operations that the unified support account concept emerged.

5. The Secretary-General, in his report of 18 September 1990 (A/45/493), recalled that, during the course of the forty-fourth session of the General Assembly, he had submitted a report to the Advisory Committee on the administrative and budgetary aspects of the financing of the United Nations peace-keeping operations (subsequently issued as document A/C.5/44/45). In that report, he had proposed, inter alia,

> "... a change in the arrangements that were in place for the provision of overload posts financed from the budgets of the ongoing peace-keeping operations that were financed outside the United Nations programme budget for the biennium. These posts are provided to supplement the provisions under the regular budget for managerial, legal, technical and administrative support and backstopping of good offices and peace-keeping operations. The proposed change excluded the overload posts provided by the United Nations Transition Assistance Group (UNTAG), as this operation was due to end on 31 March 1990 and did not seek additional appropriations for 1990. The proposal indicated, instead, a need to establish a formula that would apportion the costs of the overload posts in a more equitable manner, by including in all future budgets of good offices and peace-keeping operations, financed outside the regular budget, a financial provision calculated on the basis of a fixed percentage rate of the costs of the civilian component, that is, the United Nations staff members serving in the mission area, for salaries, common staff and travel costs. The income generated from the application of the percentage rate would be maintained in a separate account for support of peace-keeping operations against which temporary posts would then be established. At the end of the financial period, any unencumbered balance would remain in the account for the purpose of providing assistance to the offices dealing with peace-keeping matters during periods of peak workload, such as when new peace-keeping operations are being established."

6. Taking into account the positive reaction (in principle) shown by the Advisory Committee (see A/44/868), the Secretary-General proposed that, beginning in 1991, the financing of the overload posts would be through the inclusion of an amount equal to 8.5 per cent of the cost of the civilian component of each mission (salaries, common staff costs and travel only) in the respective budgets of peace-keeping operations. That percentage was derived from the relationship of the aggregate cost of 92 overload posts existing at that time, to the aggregate cost of the civilian mission posts approved for the

five peace-keeping operations excluding UNTAG. As indicated in paragraph 18 of document A/45/493:

> "Information on the posts charged to the support account would be contained in the relevant sections and subsections of the proposed programme budget covering the offices involved. For its review the Advisory Committee would also be provided with a report every two years on the support account as a whole that would include the amounts of the allotments allocated and expenditures incurred during the financial period and the Secretary-General's proposals for the succeeding financial period."

7. In its report (A/45/801, para. 14), the Advisory Committee, while accepting the concept of a support account, indicated that it had some reservations regarding the application of an "across-the-board" percentage that might not reflect the varied requirements of different peace-keeping operations, both current and future. Under the circumstances, the Advisory Committee, while taking note of the percentage recommended by the Secretary-General, was of the view that whatever percentage was approved by the General Assembly should be viewed as a first step. The Advisory Committee further indicated that it intended to keep both the percentage approved as well as the methodology on which it was based under review, together with data on the unencumbered balance, each time it examined proposals regarding the establishment, extension or termination of peace-keeping operations. The Assembly, by its resolution 45/258 of 3 May 1991, endorsed the proposal contained in document A/45/493 as supplemented by some observations and recommendations of the Advisory Committee.

8. The Secretary-General, in paragraph 24 of his report of 12 November 1992 (A/47/655 and Corr.1), had pointed out that the use of the approved percentage of 8.5 had not provided an excessive level of resources in the support account. The Advisory Committee was subsequently informed that the unencumbered balance in the support account, which had increased from $2.5 million at the end of 1991 to $10 million at the end of 1993, was attributable, on the one hand, to the restraint exercised at the various stages of the process in addressing requests from the Secretariat units for additional resources and, on the other hand, to the fact that, owing to lengthy and restrictive recruitment procedures, many of the posts approved had not been filled for the entire duration of the authorized period and, consequently, the authorized amounts were not expended. It is this lengthy recruitment process that causes posts to remain unfilled while a backlog exists. The Advisory Committee has recently been informed that the unencumbered balance projected for end December 1994 is preliminarily estimated at $9.8 million as at 27 March 1995. The Committee requests the Secretary-General to provide an explanation of how recruitment procedures cause delays in the filling of authorized posts and how efforts to avoid delay may lead to a possible geographical imbalance in the distribution of posts, as well as lapses in classification procedures. The Secretary-General should suggest measures for streamlining the process so as to ensure optimum utilization of funds made available for the support account, as well as compliance with personnel and financial rules and regulations of the Organization. The Secretary-General should also provide sufficient information, in each report on the support account, so as to assure that posts approved for specific purposes are being utilized in the manner intended.

9. In paragraph 14 of his report of 22 October 1993 (A/48/470), the Secretary-General had proposed to maintain the current methodology "in view of the simplicity and transparency of the current arrangements ... subject to certain refinements and adjustments as may be required, such as the introduction of an annualized budget estimate" as called for in paragraph 10 of the Advisory Committee's report (A/47/757). As commented upon below, the Advisory Committee believes that, while the intention may well have been to have a simple and transparent system, it has not evolved in that way.

10. In its report (A/47/757), the Committee pointed to the difficulty it had in carrying out its role of reviewing requirements for the support account on behalf of the General Assembly. The Committee pointed to questions on

> "... the appropriateness of the current funding arrangements for the support account in the absence of detailed information on the criteria for establishing posts or providing temporary assistance that had been proposed in the Secretary-General's previous report (A/45/493, para. 16), namely, workload indications, functional relationship of the proposed posts to the work plan of the office or department concerned, possibilities for redeployment of existing staff resources, the appropriateness of funding posts from the support account and of the type of contract to be offered to the incumbents, proposed grading of posts according to current classification standards, effects of new posts on the organizational structure of the unit concerned and duration of the functions of each post and availability of funding."

In paragraph 8 of that report, the Committee questioned:

> "... the use of resources from the support account for peace-keeping operations for the increased number of good offices of the Secretary-General, peacemaking and other related activities referred to in the report (ibid., para. 20), which appear to relate to core functions under international peace and security."

The Advisory Committee also recalls its observation in paragraph 9 of the report that the establishment of the support account was originally approved by the Assembly to meet the cost of posts and not for associated common services such as rental of office space. Subsequently, however, the Advisory Committee concurred in the proposal of the Secretary-General that common service costs attributable to posts financed from the support account should also be charged to the support account and recommended that that be effective 1 January 1993 (see A/47/757, para. 13).

11. The Committee recalls that, since the establishment of the support account effective 1 January 1990 and until the adoption by the General Assembly of its resolution 48/226 A of 23 December 1993, the support account was administered by the Secretary-General by way of obtaining prior concurrence of the Advisory Committee. With effect from 1994, upon the recommendation of the Advisory Committee, the Assembly has been provided with all relevant information in order for it to authorize additional posts and related costs under the support account before their establishment (see A/47/757, para. 9).

12. By its resolution 48/226 C of 29 July 1994, the General Assembly, inter alia, requested the Secretary-General to submit a report in accordance with the recommendations contained in paragraph 21 of the Advisory Committee's report (A/48/955). In that paragraph, the Advisory Committee had requested the Secretary-General to clarify, in comprehensive manner, the issues raised in connection with the rationale, scope and funding of backstopping of peace-keeping operations, taking into account, inter alia, the comments of the Committee reflected in its report (A/48/955).

13. The General Assembly, by its decision 49/469 of 23 December 1994, decided to authorize from the support account, for the period from 1 January to 30 June 1995, 346 posts, including the conversion from general temporary assistance of 4 posts (2 D-1 and 2 P-5), and the continuation of the remaining 61 posts and the position of Special Adviser to the Secretary-General financed from general temporary assistance. To cover the costs of these posts, as well as provisions for general temporary assistance, the Assembly authorized an amount of $14,191,900 for the six-month period up to 30 June 1995.

14. With regard to non-post requirements, the General Assembly authorized for the period from 1 January to 31 March 1995 resources for overtime ($52,500), travel on official business ($30,000), training ($132,400) and general temporary assistance ($77,900).

15. By the same decision (49/469), the General Assembly requested the Advisory Committee to provide a full report on the management and financing of support activities for peace-keeping operations by 15 March 1995, paying particular attention to the need for operational flexibility in response to changing backstopping requirements and to the justification for overall post requirements in this area.

16. In paragraphs 6 to 11 of his report (A/49/717), the Secretary-General discusses the question of "backstopping" of peace-keeping operations, which he defines, in general terms, as the overall direction, assistance and guidance given by departments/offices and other units, at Headquarters, for ensuring the effective planning, implementation and liquidation of peace-keeping operations. In the view of the Secretary-General, backstopping functions that are central or "core" to peace-keeping, irrespective of the number and size of operations, should be financed from the regular budget, and backstopping functions that fluctuate with the number and size of peace-keeping operations would continue to be financed from the support account, representing the variable costs to the Organization.

17. In parts III and IV (paras. 12-32) of that report, the Secretary-General deals with the issue of "core" functions and criteria for deciding which backstopping activities should be financed from the regular budget and which from the support account. The Committee has found that the criteria proposed by the Secretary-General for determining the scope and use of the support account and their application are often confusing.

18. For example, certain activities, such as "liquidation of peace-keeping operations", and "management of organizational performance", reflected in paragraph 14 of the report, which, in the view of the Committee, suppose a

direct relationship with past or existing peace-keeping operations, are nevertheless defined by the Secretary-General as core functions; on the other hand, substantive servicing of the Special Committee on Peace-keeping (see A/49/717, annex IV, para. 4), which, in the view of the Advisory Committee would appear to be a core function, is proposed to be funded from the support account.

19. The Committee notes that, while the report of the Secretary-General (A/49/717) provides in paragraphs 14 (a) to (g) a detailed summary of activities that might represent core functions, no description is provided of non-core functions, which are broadly defined as "all other activities arising from the increased volume of work related to the number and size of peace-keeping operations" (ibid., para. 15). Similarly, while the report provides in paragraphs 19, 22 and 24 a description of the core functions of departments and other organizational units, it gives no description of the non-core functions of departments and other organizational units.

20. In paragraphs 29 to 32 of the report, the Secretary-General attempts to provide further clarification on the threshold for establishing core posts to be funded from the regular budget for offices that have direct responsibilities exclusively for backstopping peace-keeping operations. The Advisory Committee notes from paragraph 30 of the Secretary-General's report that, at the time of the preparation of the present document, the number of such core posts was estimated at 88 (52 Professional and 36 General Service), i.e., 27 posts (16 Professional and 11 General Service) more than currently available under the regular budget. The Committee notes that the report of the Secretary-General does not contain a detailed justification for the estimated additional requirements, which, in accordance with paragraph 31 of the report, the Secretary-General intends to submit in the context of the proposed programme budget for the biennium 1996-1997.

21. In the opinion of the Advisory Committee, an attempt to define "core" and "non-core" may in fact lead to a time-consuming debate in the General Assembly on the nature of each and every post in an atmosphere of conflicting interests in view of the use for funding the peace-keeping support account of an assessment scale different from the one used in the regular budget. The Committee now recognizes that it may no longer be useful to continue to try to compose arbitrary and, in the end, inevitably rigid and artificial criteria for core and non-core posts and activities. The Advisory Committee believes that, after several years of experience with the support account, and also of experimentation with its use, it has become necessary to refocus on the main objective of the support account with a view to achieving better use of resources.

22. The Advisory Committee therefore recommends to maintain the concept of a support account, but to restore simplicity to the procedures for the approval of expenditures. To this end the General Assembly may wish to consider the following:

(a) The support account should continue to be financed through a charge on each peace-keeping operation equivalent to 8.5 per cent of the civilian component of that operation. It would be the intention of the Advisory Committee to keep both the percentage and the methodology for its calculation

under review, together with data on the unencumbered balance each time it examines proposals regarding the establishment, extension or termination of peace-keeping operations;

(b) Specific requests for variations of posts and other resources from previously approved levels would be considered by the Advisory Committee on behalf of the General Assembly. Proposals for variations in the number of posts would have to be justified on an individual basis, taking into account the criteria and other conditions enumerated in the Secretary-General's report (A/45/493) (see annex to the present document) and would be subject to procedures for classification as to grade. The Advisory Committee would report annually to the Assembly on the actions it has taken vis-à-vis the support account;

(c) Requests under the support account would have to be justified not only on the basis of workload and operational need but also in the context of the totality of resources available to the particular unit or programme to which such resources belong. Information on totality of resources would be available both during the exercise of approval of specific requests for backstopping as well as in the proposed programme budget to be considered by the General Assembly (see annex);

(d) Effective management in the utilization of resources in the support account is fundamentally important. The requirements of the United Nations Financial Regulations and Rules as well as the Staff Regulations and Rules must be fully and consistently respected. In its review of the support account, the Advisory Committee would monitor the application of existing regulations, rules and other procedures and, if necessary, would recommend such special provisions as may be required for posts financed through the support account. In this regard, the Advisory Committee would seek to ensure inter alia that the use of general temporary assistance is consistent with the purposes for which it was intended.

23. Should the General Assembly accept the recommendation contained in paragraph 22 above, the new arrangements could commence with effect from 1 January 1996. In this connection, the Advisory Committee should be given information regarding the support account, including data on the unencumbered balance. The Advisory Committee further recommends that the Secretary-General be requested to review all previously authorized posts in the support account so as to ensure compliance with the criteria referred to in paragraph 22 above and report thereon to the Advisory Committee. In this connection, it would be understood that all posts would be used only for purposes previously justified to the Advisory Committee and approved by the Assembly; that they would have been properly classified and that vacancy announcements will be handled in strict compliance with Staff Rules and procedures, bearing in mind paragraph 22 (d) above. It would also be expected that the contractual arrangements entered into by the organization with staff charged to the support account will allow the necessary flexibility to adjust to changing income and requirements for the account and to ensure that the United Nations does not incur additional financial obligations that exceed the authorized duration of the posts.

Requirements for 1995

24. In paragraphs 33 to 40 of his report (A/49/717), the Secretary-General outlines resource requirements for 1995. The Committee notes from paragraphs 36 and 38 that the total number of posts required for backstopping peace-keeping operations effectively is estimated by the Secretary-General at 630 (88 posts under the regular budget and 542 posts under the support account) but, in view of the limited resources in 1995, the Secretary-General is proposing under the support account a total of 431 posts for the calendar year 1995.

25. The Advisory Committee recalls that the Secretary-General had arrived at the total number of 630 posts required for backstopping peace-keeping operations effectively during the preparation of his report of 27 May 1994 (A/48/470/Add.1). Since then, the situation in United Nations peace-keeping has somewhat changed, which, in the view of the Committee, should have been duly reflected in updating the staffing requirements. Furthermore, the Advisory Committee has not received additional information on actual workload requirements and the secondment by Member States of military and civilian personnel to the Department of Peace-keeping Operations specifically requested by the Committee in paragraphs 5 and 12 of its report (A/49/778), which could have greatly contributed to the analysis by the Committee of this issue.

26. Pending receipt of the additional information referred to above and being of the view that its consideration of resource requirements for backstopping activities submitted in the context of the proposed programme budget for 1996-1997 will have an impact on resource requirements under the support account, the Advisory Committee recommends that the General Assembly extend until 31 December 1995 its previous authorization for 346 temporary posts; it will be for the Assembly to decide whether to convert the remaining positions funded from general temporary assistance to temporary posts. In view of the additional information requested, the Advisory Committee recommends that the Assembly defer, until September 1995, action on the Secretary-General's request for an additional 24 posts to be funded in 1995 from the support account.

27. During its deliberation on the subject, the Committee was informed of the intention of the Secretary-General to redeploy 10 posts (5 Professional and 5 General Service) from the Finance Management and Support Service of the Field Operations and Logistics Division, the Department of Peace-keeping Operations, to the Accounts Division and Peace-keeping Financing Division of the Department of Administration and Management. This redeployment, in the view of the Committee, would have an impact on overall requirements for staff and its distribution by offices and functions and should, since it has not yet been justified, therefore be considered in the context of overall requirements for staff under the support account.

28. With regard to non-post resources for 1995, the Committee recommends approval of such resources on the basis of requirements for the period from 1 April to 31 December 1995, as follows: $319,600 for general temporary assistance, $157,500 for overtime, $90,000 for travel on official business, $372,500 for training and $4,028,200 for common services.

Annex

EXCERPT FROM THE REPORT OF THE SECRETARY-GENERAL
CONTAINED IN DOCUMENT A/45/493

16. Proposals for the creation of posts to meet the additional workload resulting from or caused by good offices and peace-keeping activities would be checked by the Programme Planning and Budget Division against the following criteria, which are essentially the same criteria as govern the creation of posts relating to services provided by the United Nations:

(a) Workload indication;

(b) Functional relationship of the proposed post to the work plan of the office or department;

(c) Possibilities for redeployment of existing staff resources to meet the functional need that has been identified;

(d) The appropriateness of funding the post from the support account for peace-keeping operations rather than from regular budget resources and of the type of contract to be offered to the incumbent in order to preserve a flexible management of staff resources;

(e) Proposed grading of posts vis-à-vis prevailing standards for post classification (all posts are to be formally submitted to the Office of Human Resources Management for classification before authorization);

(f) The effect that the creation of the post would have on the grading and organizational structures of the unit in which it is to be placed, bearing in mind the temporary nature of the post to be created;

(g) The duration of the post functions and the availability of the current and expected funding sources.

17. These criteria would be observed in the creation of all temporary posts chargeable to the support account. Whenever the proposal involved the creation of any new post, extreme care would be exercised in the application of all of these criteria, with special emphasis on (e) and (f) above. Moreover, the approval of the Assistant Secretary-General for the Office of Programme Planning, Budget and Finance would be required in each instance, subject to prior concurrence of the Advisory Committee.

18. Information on the posts charged to the support account would be contained in the relevant sections and subsections of the proposed programme budget covering the offices involved. For its review the Advisory Committee would also be provided with a report every two years on the support account as a whole that would include the amounts of the allotments allocated and expenditures incurred during the financial period and the Secretary-General's proposals for the succeeding financial period.